

## **GUIDELINES FOR PRICE BREAKDOWN**

1. Each direct cost item will be broken down to show the cost for labor, equipment, materials, and subcontracting, as applicable.
2. Detail labor costs by craft, hours, and hourly rate for each element of work. Hourly rates will include all fringe benefits, taxes, etc. Provide a separate breakdown showing fringe benefits for each craft category. Provide production rates if applicable.
3. Detail equipment costs by type, size or model, hours, hourly rate, and production rate for each element of work. Except as noted below, base equipment rates on the applicable provision of the "Construction Equipment Ownership and Operating Expense Schedule." For forward pricing, the schedule in effect at of the time work was performed shall apply. For the purpose of determination of the hourly rates to be applied under this contract, consider working conditions average unless otherwise determined by the Contracting Officer. Other equipment rate sources such as historical cost data, lease, or rental agreements may be used, but document the basis of the rates in sufficient detail so that a reviewer can readily reconstruct the rate.
4. Detail direct cost materials quantity, unit cost, total cost, and the cost source. Separately list transportation or shipping costs, when applicable.
5. Provide subcontractors' proposals in the same detail and with the same supporting documentation as the prime contractor. Further, the prime contractor must review and analyze the subcontractors' proposals for cost reasonableness prior to submission to the Contracting Officer.
6. A direct cost summary shall show the total cost for each cost category (labor, equipment, materials, and subcontracts).
7. When escalation is proposed, the source of the rate proposed and the applicable time frame shall be stated.
8. Detail daily jobsite overhead sufficient to show the significant individual cost items. Note, jobsite overhead only applies to changes which extend contract time.
9. Apply a separate markup for branch and home office overhead (G&A). If requested, provide annual reports to justify percentage rates.
10. Apply profit as a percentage to direct and indirect (subcontracted work).
11. When the change involves deletion of contract work, base the price on estimated costs for performing the work plus home office overhead (G&A) and bid-climate profit.